

## Accounts for the year ended 29 February 2020

### 1. H & G Canal Trust Ltd

This year the Trust made a surplus of £67k of Unrestricted funds together with £7k of Restricted Funds, which compares favourably with the previous year (total £55k). We received some generous large donations and legacies which formed a significant element of this. There was a reduction in rents received, in one case prior to the tenant moving out he failed to pay and in another case the tenant moved out to facilitate the sale of a property, (see later) and it is expected that monthly rents will rise in the current year.

Support costs have been reduced from £21k to £13k, and some of the Unrestricted surplus has been spent at sites (£18.6k).

During the year (and after extensive consideration) it was agreed by the Directors that it was essential both for the long term and short term to support The Wharf House Co Ltd because that company had incurred debts which it could not support on its own. In order to finance that it was agreed to sell one property which was vacated and which has resulted in a loss of rent in the year of about £7k. The objective was to support the good name of the Trust and improve the asset base, and in doing a saving on interest costs is expected. However because of adverse market conditions no sale was achieved, and to finance short term requirements a bank loan of £65k was taken. This will be repaid when the property sells.

One property at Llanthony was vacated during the year and has needed extensive maintenance work to bring it up to a standard to allow it to be let. During this year the amount was £8.5k and that will be increased by a further £2k in the current financial year.

This year has been difficult but has laid down good foundations for the future.

### 2. The Wharf House Co Ltd

The result of this year shows another loss, this year amounting to £48k (2019 £57k). However as can be seen from the spreadsheet of the quarterly results with the accounts, before annual costs (ie those not attributable to any particular area of the business or a time) the whole of this loss was incurred in the first quarter and since then trading has been profitable. There is every reason to suppose that losses will not recur, since costs have been cut, loss making parts closed and rentals increased.

The loss in Quarter 1 was caused by a number of factors. Wages costs for staff at Malswick House for the current year even though the pub had closed (£7k) and dilapidations in respect of inadequate fire precautions at The Wharf House (£12.5k) were two large elements, and the trading between the start of the year and close of business at Wharf House comprised the rest.

It was necessary to do some maintenance work (value about £7k) on Malswick House to make it secure and the flat lettable. These steps have been done and Wharf House (now called Lockkeepers) is let and a resolution of the future for Malswick House is being sought. Malswick House is already being let in part and it is anticipated that the income stream will increase.

As has been referred to above a large number of old debts have been paid off, funded by H & G Canal Trust. It is hoped that in the current year income will be sufficient to start to make payments

to the Canal Trust, although these are unpredictable times and coronavirus may have unexpected and problematic consequences.

These have been agreed by the Boards and been through the accountants. Those who can would you please print any copies for yourselves and do raise any questions that you have to me at [finance@h-g-canal.org.uk](mailto:finance@h-g-canal.org.uk). Those who do not have printing facilities and would like a copy please contact me either by email or by phone at 01452 760301.

Philip Marshall

Treasurer